

A. Applicability, Authority and Organization

The authority for State personnel to make purchases, enter into contracts and otherwise bind the State to commercial agreements is as established by the [Arizona Revised Statutes](#), Title 41, Chapter 23, entitled the Arizona Procurement Code. See [ARS § 41-2501, et seq.](#) The corresponding administrative rules to further define and implement these statutes are located in the [Arizona Administrative Code](#), Title 2, Chapter 7, covering the Department of Administration, Finance Division, Purchasing Office. Further regulation of procurement activities are conveyed through [Executive Orders](#) issued by the Governor's Office as well as policies and best practices conveyed in the form of [Technical Bulletins](#) issued by the State Procurement Office. Collectively, these statutes, rules, policies and procedures constitute the body of regulation governing the practice of public procurement within the State of Arizona. This [State Procurement Manual](#) brings together these bodies of regulation into a concise and straightforward treatment of procurement within the State of Arizona government.

1. Applicability

The [Arizona Procurement Code](#) (APC) has been in effect since January 1, 1985. It is applicable to all expenditures of public monies by [governmental units](#) of the State of Arizona. The APC also governs the disposal of State materials as well as intergovernmental cooperative procurements between the State of Arizona and other governments. Applicability under the APC is set forth in [Article 1](#).

1.1. Agencies subject to the APC

With few exceptions all executive branch agencies, boards and commissions of the State of Arizona are subject to the requirements of the APC. The APC also covers other entities that are otherwise exempt from the code but through their participation in the State's cooperative procurements, are subject to the requirements of APC as it pertains to their use of the State's contracts. A list of agencies that are governed by the APC is available within the State Procurement Office web site, at www.azspo.az.gov.

1.2. Agencies and Activities exempt from the APC

In addition to establishing which agencies are subject to the APC also details which agencies and specific activities within such agencies that are exempt from the requirements of the APC. Some agencies, by virtue of their enabling legislation, have specific statutory authority to conduct procurement activities in a manner other than as prescribed under the APC. Although such agencies may be except from the APC, they are still held accountable for the responsible expenditure of public monies. Accordingly, many exempt agencies adopt procurement policies and procedures that largely emulate those found in the APC and regularly seek the advisement of the State Procurement Office regarding their procurement practices.

2. Authority

The APC establishes one person, the Director of the [Arizona Department of Administration](#) (ADOA), with the authority to procure all materials, services and construction needed by the State. See [ARS § 41-2511](#). As the Central Procurement Officer for the State, the Director is authorized by this section and corresponding sections of the Arizona Administrative Code (AAC) to further delegate his or her authority to other procurement personnel throughout State government. See [ARS § 41-2512](#) and [AAC R2-7-201](#). The principle recipient of the Director's delegated procurement authority is the [State Procurement Administrator](#). Authority under the APC is set forth in [Article 2](#).

2.1. Delegated Authority

By virtue of the Director's delegated procurement authority or "[Delegated Authority](#)," the State Procurement Administrator is responsible the further delegation of procurement authority the various State agencies, boards and commissions, while ensuring their collective compliance with the APC. This delegation is made in writing, to the agency's chief executive or director, authorizing to conduct procurement activities on behalf of their agency in the furtherance of their respective missions. The recipient of this Delegated Authority is therefore referred to as the [Agency Chief Procurement Officer](#).

In their Delegated Authority, Agency Chief Procurement Officer is authorized to further delegate their procurement authority to other [Procurement Officers](#) within their agency as they deem necessary. If the director is not sufficiently qualified to administer their agency's procurement activities or the size and nature of their responsibilities do not allow them to attend to these activities as necessary, the director can further delegate the role of Agency Chief Procurement Officer to a more qualified and or available individual within their staff. See [AAC R2-7-203](#).

As a condition of their Delegated Authority, Agency Chief Procurement Officers must report to the State Procurement Administrator the names and qualifications of all individuals to whom the Agency Chief Procurement Officer has further delegated procurement authority to – if any. The State Procurement Administrator in turn maintains an aggregate list of all recipients of procurement authority throughout the State. Through these individual grants of further delegations each agency, board and commission of the State of Arizona is authorized to participate in some level of procurement activity. See [Technical Bulletin No. 003, Delegation of Authority](#).

2.2. Responsibility, Accountability and Ethics

All recipients of Delegated Authority are responsible for their procurement actions and shall ensure that all such procurement actions are in strict conformance with all applicable regulations; statutes, code, executive orders and technical bulletins. See [R2-7-206](#).

The procurement activities of any recipients of Delegated Authority are subject to periodic reviews by the State Procurement Office. Agencies and their Procurement Officers shall be held accountable for any activities that are contrary to the requirements of the APC and other applicable sources of regulation. Such violations are subject to several forms of recourse including administrative, civil and criminal penalties.

Due to the high degree of organizational responsibility and public trust associated with the exercise of procurement authority and the disposition of public monies, it is incumbent upon the agencies and their Procurement Officers to perform their duties in a fair, equitable, open and transparent manner. Agencies and their Procurement Officers that do not act in ethical manner, in accordance with the APC, other applicable sources of regulation or in accordance with their delegated authority are also subject to a variety of recourse. See [Technical Bulletin No. 008, Ethics](#).

3. Organization

The State Procurement Administrator is responsible for the creation and implementation of procurement policy throughout the State via the issuance and management of Delegated Authority. Through this network of further delegations, the State Procurement Administrator oversees an interagency organization of procurement practitioners throughout the State. The [Arizona State Procurement Association](#) therefore, is the mechanism through which the State Procurement Administrator implements procurement policy for the State. Organization under the APC is also set forth in [Article 2](#).

3.1. State Procurement Office

Like the Director, the State Procurement Administrator is located within the ADOA and executes procurement policy throughout the Arizona State Procurement Association (ASPA) through the administration of the programs and activities of the [State Procurement Office](#) (SPO). Accordingly, the SPO serve a dual role in 1) supporting the procurement needs of ADOA and 2) supporting the organizational and procurement needs of the Arizona State Procurement Association.

Within SPO, the ADOA Procurement section is responsible for supporting the purchasing and contracting needs of ADOA. In support of the Arizona State Procurement Association, SPO provides a number of sections and associated procurement programs including [Strategic Contracts](#), [Limited Agencies](#), [Compliance and Training](#), [Procurement Systems](#), [Intergovernmental Cooperatives](#) as well as the [Community Outreach](#) programs.

3.2. Strategic Contracts Centers

To meet the general contractual needs of most agencies SPO also coordinates the management of Commodity Categories across the agencies through a series of [Strategic Contracts Centers](#) (SCC). Because of their programmatic needs, some agencies are larger consumers of certain products and services and are therefore more vested in the contracts for these products and services than other agencies, e.g., Department of Transportation for vehicles and transportation products or the Department of Economic Security for human services. To administer the contracts within a given commodity category, certain agencies are appointed by SPO as Strategic Contract Centers and allotted further delegated authority to issue [Multiple-Agency Contracts](#) and/or [Statewide Contracts](#) for these items. Because of SPO's location with the ADOA SPO serves as the SCC for IT products and services, professional and general services, employee benefits, office environments, supplies and equipment. A complete list of Strategic Contract Centers and their associated commodity categories is available on the SPO web site at www.azspo.az.gov.

3.3. Agencies with Unlimited Procurement Delegation

Through their delegated procurement authority, agencies are able to make purchases, enter into [Single Agency Contracts](#) and bind themselves to agreements in the pursuit of their programmatic needs. Larger agencies and agencies with larger contractual needs, often dedicate members of their staff, sections or whole offices within their organization for the purpose of supporting their procurement requirements, including purchasing, contracting and contract administration.

Agencies possessing adequately trained and skilled personnel, procedures, tools and resources may petition SPO for greater authority. Upon successful evaluation of their capacities by SPO's Compliance and Training section these agencies may be receive [Unlimited Procurement Delegation](#). A complete list of agencies with Unlimited Procurement Delegation is available on the SPO web site at www.azspo.az.gov.

3.4. Agencies with Limited Procurement Delegation

Smaller agencies or agencies with lesser contractual needs may not dedicate sufficient resources to meet all of their procurement needs. To these agencies, SPO issues [Limited Procurement Delegation](#) ranging from \$100,000 to \$10,000 per contract. For procurements within their delegated authority, these agencies may proceed with purchases, enter into Single Agency Contracts and otherwise bind themselves to agreements. For procurements anticipated to exceed their delegated authority, such agencies are to submit their requirements to SPO's Limited Agencies section. A complete list of agencies with Limited Procurement Delegation is also available on the SPO web site at www.azspo.az.gov.

3.5. Intergovernmental Cooperatives

In addition to contracting for itself the State may also share its contracts with, as well as participate in the contracts of, other governments. [Article 10](#) of the Arizona Procurement Code recognizes intergovernmental cooperatives and grants the State and other eligible entities the ability to enter into Intergovernmental Agreements for the purpose of cooperative procurement. To manage its participation in and with the various intergovernmental cooperatives, the State maintains a [Cooperative Procurement Task Force](#).

The primary intergovernmental cooperative utilized by the State is the [Arizona Purchasing Cooperative](#) which consists of Arizona cities, counties, various special districts, colleges, universities, the US federal government, as well as certain medical and educational non-profit organizations. Members of the Arizona Purchasing Cooperative predominantly use the State's contracts. On occasion, the State will determine that one of the member's contracts are advantageous and will participate in them.

Another intergovernmental cooperative that the State participates in is [WSCA](#) (Western States Contracting Alliance (WSCA)). WSCA is composed of the procurement directors of the 15 western states of the [National Association of State Procurement Officials](#) (NASPO). WSCA directors meet monthly to discuss their various procurement needs that may fit an interstate cooperative model. Once a common need is identified, a lead state is established to conduct the solicitation and administer the resulting contracts. The other WSCA states then participate under the resulting contracts at their discretion.

The State also follows the activities of other intergovernmental cooperatives including: [Mohave Educational Services Cooperative](#) (comprised of school districts across the state); [SAVE](#) (Strategic Alliance for Volume Expenditures – comprised of cities and counties throughout Phoenix metropolitan and surrounding areas); [GPPCS](#) (Greater Phoenix Purchasing Consortium of Schools – comprised of school districts throughout the Phoenix metropolitan and surrounding areas), [YEPA](#) (Yuma Educational Purchasing Association – comprised of school districts and local governments throughout the Yuma, AZ areas), [US Communities](#) (comprised of cities and counties located throughout the country), and [TPCN](#) (The Purchasing Cooperative Network – comprised of state and local governments, school districts and other entities throughout the southwest); as well as [GSA Advantage](#) (US Federal Government, General Services Administration – allows state and local governments to access certain Multiple Award Schedule contracts).

4. Summary

The [Arizona Procurement Code \(APC\)](#) is applicable to all expenditures of public monies by [Governmental Units](#) of the [State of Arizona](#), disposal of materials and intergovernmental cooperative procurement within Arizona. Most executive branch agencies, boards and commissions are subject to the requirements of the [APC](#). The

Director of the [Arizona Department of Administration \(ADOA\)](#) is the State's central procurement officer and further delegated his or her [Procurement Authority](#) to the [State Procurement Administrator](#), who further delegates authority out to the agencies via their respective [Agency Chief Procurement Officers](#), and still further their respective [Procurement Officers](#). This network of delegated authority forms the [Arizona State Procurement Association \(ASPA\)](#). All procurement activities shall be done in accordance with the [APC](#) and performed in a fair, equitable, and transparent manner. Violations of the [APC](#) or other applicable regulations are subject to several forms of recourse including administrative, civil and criminal penalties. [SPO](#) implements procurement policy, organizational management and direct procurement support to the agencies through [ASPA](#).